



GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Income Statement

For the Fourth Quarter Ended 30 June 2006

(The figures have not been audited)

| | Individual | | Cumulative | |
|--|---|--|---|---|
| | Current Year Quarter 30.06.2006 (RM'000) | Preceding Year Corresponding Quarter 30.06.2005 (RM'000) | Current Year To-Date 30.06.2006 (RM'000) | Preceding Year To-Date 30.06.2005 (RM'000) |
| Revenue | 12,506 | 10,146 | 45,866 | 16,211 |
| Operating expenses | (11,892) | (9,446) | (44,292) | (15,138) |
| Other operating income | 111 | 1,515 | 427 | 2,440 |
| Profit from operations | 725 | 2,215 | 2,001 | 3,513 |
| Finance cost | (93) | (50) | (277) | (84) |
| Profit before tax | 632 | 2,165 | 1,724 | 3,429 |
| Income tax expense | (168) | (823) | (517) | (1,186) |
| Net profit | 464 | 1,342 | 1,207 | 2,243 |
| Earnings per share of RM0.10 each (sen) | 0.18 | 0.71 | 0.47 | 3.15 |

Note : The preceding year-to-date's result only take into account of the post-acquisition result.

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Balance Sheet As at 30 June 2006

| | Unaudited As At End Of Current Quarter 30.06.2006 (RM'000) | Audited As At Preceding Financial Year Ended 30.6.2005 (RM'000) |
|---|--|--|
| Property, plant and equipment | 15,610 | 13,307 |
| Goodwill | 137 | 150 |
| Current Assets | | |
| Inventories | 269 | 295 |
| Trade receivables | 10,856 | 10,396 |
| Other receivables and prepaid expenses | 4,530 | 3,765 |
| Tax recoverable | 402 | - |
| Deposits with licenced banks | 9,214 | 10,942 |
| Cash and bank balances | 644 | 934 |
| Total Current Assets | 25,915 | 26,331 |
| Current Liabilities | | |
| Trade payables | 2,732 | 3,015 |
| Other payables and accrued expenses | 1,333 | 1,927 |
| Hire-purchase payables - current portion | 1,632 | 734 |
| Borrowings (secured) - current portion | 242 | 239 |
| r Taxation liability | 73 | 67 |
| Total Current Liabilities | 6,012 | 5,981 |
| Net Current Assets | 19,903 | 20,350 |
| Non-Current and Deferred Liabilities | | |
| Hire-purchase payables - non-current portion | 1,266 | 663 |
| Borrowings (secured) - non-current portion | 1,333 | 1,165 |
| Deferred tax liabilities | 361 | 293 |
| Total Long-term and Deferred Liabilities | 2,960 | 2,121 |
| Net Assets | 32,690 | 31,686 |
| Represented by: | | |
| Issued capital | 25,719 | 20,575 |
| Reserves | 6,971 | 11,111 |
| | 32,690 | 31,686 |
| Net assets per share of RM0.10 each (RM) | 0.13 | 0.15 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2006
(The figures have not been audited)

| | Issued capital (RM'000) | Share premium (RM'000) | Reserve on consolidation (RM'000) | Unappropriated profit (RM'000) | Total (RM'000) |
|--|-------------------------------|------------------------------|---|--------------------------------------|-------------------|
| Balance as of 1 July 2005 | 20,575 | 5,972 | 2,970 | 2,168 | 31,685 |
| Net profit for the period | - | - | - | 1,207 | 1,207 |
| Bonus issue | 5,144 | (5,144) | - | - | - |
| Share issue expenses | - | (202) | - | - | (202) |
| Balance as of 30 June 2006 | <u>25,719</u> | <u>626</u> | <u>2,970</u> | <u>3,375</u> | <u>32,690</u> |
| Balance as of 1 July 2004 | - | - | - | (75) | (75) |
| Net profit for the period | - | - | - | 2,243 | 2,243 |
| Arising from the acquisition of GD Express Sdn Bhd GD Technosystems Sdn Bhd and IT Software | 17,075 | - | 2,970 | - | 20,045 |
| Issue of ordinary shares | 3,500 | 7,000 | - | - | 10,500 |
| Share issue expenses | - | (1,028) | - | - | (1,028) |
| Balance as of 30 June 2005 | <u>20,575</u> | <u>5,972</u> | <u>2,970</u> | <u>2,168</u> | <u>31,685</u> |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Cash Flow Statement
For the Year Ended 30 June 2006**

| | Unaudited Current Year To-date Ended 30.06.2006 (RM'000) | Audited As At Preceding Financial Year Ended 30.06.2005 (RM'000) |
|---|--|---|
| Cash flows from/(used in) operating activities | | |
| Profit before tax | 1,724 | 3,429 |
| Adjustments for non-cash items | 3,789 | 778 |
| Operating profit before working capital changes | 5,513 | 4,207 |
| Changes in working capital: | | |
| Net change in current assets | (1,789) | (2,674) |
| Net change in current liabilities | (877) | 285 |
| Cash flows from operations | 2,847 | 1,818 |
| Income tax paid | (845) | (1,100) |
| Net cash from operating activities | 2,002 | 718 |
| Cash flows from/(used in) investing activities | | |
| Additions of fixed assets | (5,541) | (1,065) |
| Proceeds from disposal of fixed assets | 37 | 731 |
| Acquisition of subsidiary, net of cash and cash equivalent | (3) | 2,218 |
| Interest received | 294 | 31 |
| Net cash used in investing activities | (5,213) | 1,915 |
| Cash flows from financing activity | | |
| Proceeds from issue of shares | - | 10,500 |
| Share issue expenses incurred | (202) | (1,028) |
| Acquired /(repayment) of term loan | 170 | (245) |
| New finance from/(repayment of) hire-purchase payables | 1,502 | (245) |
| Finance cost paid | (277) | (84) |
| Net cash from financing activities | 1,193 | 8,898 |
| Net (decrease) / increase in cash and cash equivalents | (2,018) | 11,531 |
| Cash and cash equivalents at beginning of the year | 11,531 | - |
| Cash and cash equivalents at end of period | 9,513 | 11,531 |
| Cash and bank balances | 644 | 934 |
| Deposits with licensed bank | 9,214 | 10,942 |
| | 9,858 | 11,876 |
| Less: fixed deposits pledged with a licensed bank | (345) | (345) |
| | 9,513 | 11,531 |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005. and the accompanying explanatory notes attached to the interim financial statements.

Notes To The Interim Financial Report

1. Accounting Policies and Basis of Preparation

The interim financial statements have been prepared in accordance with the FRS 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market. The same accounting policies and methods of computation are followed in these interim financial statements as compared with the annual financial statements for the year ended 30 June 2005.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2005.

2. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2005 was not qualified.

3. Comments on Seasonal and Cyclical Factors

The Group's performance is affected by the lower deliveries during the months with numerous public and festive holidays.

4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow for the quarter and financial year-to-date.

5. Changes in Estimates

There were no changes in estimates that have a material effect on the current quarter and financial year-to-date.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the quarter and financial year-to-date.

7. Dividends Paid

There were no dividends paid in the current quarter and the financial year-to-date.

8. Segmental Information

The Group operates predominantly in Malaysia and is principally involved in the provision of express delivery and customised logistics solutions services.

The subsidiary in Singapore, GD Express (Singapore) Pte Ltd which was incorporated on 21 November 2005 has not commenced operation.

9. Carrying Amount of Revalued Assets

All the property, plant and equipment of the Group are stated at historical cost in the financial statements.

10. Subsequent Events

There were no material events occurred subsequent to the end of the quarter under review except for the following :

(a) Acquisition of Leasehold Land and Building

Subsequent to the balance sheet date, the Group has placed a 10% deposit of RM550,000/- for the purchase of leasehold land and building where its distribution hub is located, the sale and purchase agreement shall be executed in the coming quarter. The purchase consideration of this leasehold land and building is RM5.5 millions.

11. Changes in the Composition of the Group

There are no changes in the composition of the Group in the current quarter and financial year-to-date other than the following:

- a. On 21 November 2005, the Company incorporated a wholly-owned subsidiary in Singapore, namely GD Express (Singapore) Pte Ltd with an authorised share capital of SGD1 million and paid-up share capital of SGD2.00 comprising of 2 ordinary shares SGD1.00 each.
- b. On 15 December 2005, the Company through its wholly owned subsidiary, GD Express Sdn Bhd acquired the entire issued and paid-up share capital of GD Materials Distribution Sdn Bhd comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00.

12. Contingent Liabilities

There were no changes in the contingent liabilities since the last annual balance sheet date.

13. Taxation

The taxation figures are as follows:

| | Current Quarter (RM'000) | Cumulative Year to Date (RM'000) |
|--|-----------------------------|--|
| Estimated current tax payable | 100 | 606 |
| Overprovision of income tax in prior years | - | (157) |
| Deferred Tax | 68 | 68 |
| | <u>168</u> | <u>517</u> |

The effective tax rate for the quarter and year to date is 30% as compared to the statutory tax rate of 28%. The higher effective tax rate was due mainly to certain expenses that are not deductible in determining taxable profit.

14. Unquoted Securities and/or Properties

There were no purchases or disposal of any unquoted securities and/or properties for the current quarter and financial year ended 30 June 2006.

15. Quoted Securities

There were no purchases or disposal of any quoted securities for the current quarter and financial year-to-date.

16. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement other than the following:

A) Utilisation of Proceeds

The utilisation of proceeds from the Initial Public Offer ("IPO") is as follows:

| Purpose | Proposed Utilisation RM'000 | Re-allocation RM'000 | Total RM'000 | Actual Utilisation RM'000 | Balance RM'000 |
|--|-----------------------------------|-------------------------|-----------------|---------------------------------|-------------------|
| Proposed upgrading of GDEX's network and infrastructure | 4,800 | - | 4,800 | 2,592 | 2,208 |
| Working capital | 3,700 | 972 | 4,672 | 4,672 | - |
| Estimated listing expenses | 2,000 | -972 | 1,028 | 1,028 | - |
| | 10,500 | - | 10,500 | 8,292 | 2,208 |

The unutilised proceeds for the listing expenses of RM0.972 million shall be re-allocated for the working capital purposes of the Group.

B) Proposed Private Placement and Bonus Issue

- 1) On 12 October 2005, the Company announced its intention to undertake the following:
 - a) Proposed private placement of up to 20,574,883 new ordinary shares of RM0.10 each in GD Express Carrier Berhad ("GDEX") (or up to 25,718,604 placement shares if the proposed bonus issue is implemented before the proposed placement), representing up to ten percent (10%) of the issued and paid up capital of the Company at issue price(s) to be determined and announced later.
 - b) Proposed bonus issue of up to 56,580,928 new GDEX shares (or 51,437,208 bonus shares if the proposed bonus issue is implemented before the proposed placement), to be credited as fully paid-up, on the basis of one (1) bonus share for every four (4) existing GDEX shares held on an entitlement date to be determined and announced later.
- 2) On 9 November 2005, the Company further announced that part of the proceeds from the proposed private placement, which was initially intended for the business expansion in Thailand, has been reduced from RM9.658 million as originally proposed to RM6.0 million. This is due to the investment in Thailand may be subject to foreign shareholdings restriction. The remaining balances of RM3.658 million will be used to finance the Group's working capital requirements which is expected to be utilised to finance, amongst others, the anticipated business expansion of the Group in Malaysia as well as for the development of new products and services.

- 3) The Securities Commission has via its letter dated 8 December 2005, approved the Proposed Placement under Section 32(5) of the SC Act 1993, Listing Requirements of the Bursa Malaysia Securities Berhad for the MESDAQ Market and Guideline on the Acquisition of Interest, Mergers and Take-Overs by Local and Foreign Interest.
- 4) The shareholders approved the resolutions relating to the proposed private placement and bonus issue at the Extraordinary General Meeting, which was held on 25 January 2006.
- 5) The additional 51,437,208 ordinary shares of RM0.10 each arising from the bonus issue stated in 1 (b) above has been granted listing and quotation with effect from 9.00 a.m., 8 May 2006.
- 6) The Securities Commission has via its letter dated 6 June 2006 granted an extension of time up to 8 December 2006 to implement the Private Placement mentioned in (3) above.

17. Group Borrowings

The Group borrowings consist of the following:

| | RM'000 |
|--|---------------------|
| Hire purchase payables | |
| Payable within 12 months | 1,632 |
| Payable after 12 months | 1,266 |
| Long-term borrowings (secured): | |
| Payable within 12 months | 242 |
| Payable after 12 months | 1,333 |
| Total borrowings | <u><u>4,473</u></u> |

All the above borrowings are denominated in Ringgit Malaysia.

18. Financial Instruments

There are no off balance sheet financial instruments as at the date of the quarterly report.

19. Material Litigations

There were no further developments to matters previously disclosed in the audited financial statements for the year ended 30 June 2005.

20. Material Change in Profit Before Tax as Compared to the Immediate Preceding Quarter

The Group recorded a higher profit before tax ("PBT") of RM0.6 million for the fourth quarter ended 30 June 2006. As compared to the immediate preceding quarter ended 31 March 2006, the PBT for the fourth quarter increased by RM445,000. As the monthly revenue achieved in this quarter exceeded the break even level, hence, the profit before tax improved proportionately higher than the increase in revenue. Besides that, the revenue for this quarter has increased by 8%, as the number of business day in this quarter is higher as compared to the immediate preceding quarter and the demand for express courier service increased.

21. Performance of the Group

The Group achieved the revenue of RM45.9 million for the year ended 30 June 2006. For the year under review, the Group recorded a PBT and profit after tax ("PAT") of RM1.7 million and RM1.2 million respectively. The Group's revenue continues to grow with higher demand for the Group's express carrier and customised logistics services. Despite of the increase in revenue, PAT reduced by RM1.0 million compared to the previous year. This was mainly due to the preliminary cost in term of additional facilities as well as human resources for the expansion of hub capacity to equip the Group to handle higher business volume in the coming years.

22. Prospect of the Group

The Directors are of the opinion that the results for the financial year ending 30 June 2007 will be satisfactory. The Group will continue to upgrade the existing network and infrastructure, employ additional sales, marketing and technical staff to enhance the service standard, which will enable the Group to secure more business.

23. Variance from Profit Forecast

The Company did not disclose any profit forecast or guarantee for this financial year.

24. Dividends

No dividends were declared during the quarter or the financial year-to-date.



25. Earnings Per Share

i. Basic

The basic earnings per share is calculated by dividing the net profit for the year by the number of ordinary shares in issue during the year

| | Current Year Quarter 30.06.2006 (RM'000) | Current Year To Date 30.06.2006 (RM'000) |
|--|---|---|
| Net profit attributable to to ordinary shareholders | 464 | 1,207 |
| Number of ordinary shares of RM0.10 each in issue (units) | 257,186,083 | 257,186,083 |
| Basic earnings per share of RM0.10 each (sen) | <u>0.18</u> | <u>0.47</u> |

ii. Diluted

The Company does not have any convertible shares or convertible financial instruments for the current quarter and financial year-to-date.

By Order of the Board

Nuruluyun Binti Abdul Jabar (MIA 9113)
Woo Ying Pun (MIACSA 7001280)
Secretaries
29 August 2006